Drug Traffickers and the Contras: Drugs, Law Enforcement and Foreign Policy (6/15)

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The Kerry Committee report, formally titled Drugs, Law Enforcement and Foreign Policy, was the final report of an investigation by the Senate Foreign Relations Committee's Subcommittee on Terrorism, Narcotics, and International Operations. The report examined the problems that drug cartels and drug money laundering in South and Central America and the Caribbean posed for American law enforcement and foreign policy. The Sub-Committee was chaired at the time by Senator John Kerry, so that the report is often referred to under his name.

The report was released on April 13, 1989, and included discussions of drug trafficking in the Bahamas, Colombia, Cuba and Nicaragua, Haiti, Honduras, and Panama. The longest chapter in the report was on narcotics trafficking and the Nicaraguan Contras. The Subcommittee "did not find that Contra leaders were personally involved in drug trafficking," but it did find "substantial evidence" of drug smuggling by "individual Contras, Contra suppliers, Contra pilots, mercenaries who worked with the Contras, and Contra supporters."

Full Report:
https://ia601203.us.archive.org/30/items/KerryCommitteeReport/Kerry%20Committee%20Report.pdf

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[Music] narcotics traffickers and the Contras introduction the initial committee investigation into the international drug trade which began in April 1986 focused on allegations that Senator John F Carey had received of illegal gun running and narcotics trafficking associated with the Contra war against Nicaragua as the committee proceeded with its investigation significant information began surfacing concerning the operations of international narcotics traffickers particularly relating to the Colombian based cocaine cartels as a result the decision was made to incorporate the contra of related allegations into a broader investigation concerning the relationship between foreign policy narcotics trafficking and law enforcement while the Contra drug question was not the primary focus of the investigation the subcommittee uncovered considerable evidence relating to the contra network which substantiated many of the initial allegations laid out before the

committee in the spring of 1986 on the basis of this evidence it is clear that individuals who provided support for the Contras were involved in drug trafficking the supply network of the Contras was used by drug trafficking organizations and elements of the Contras themselves knowingly received financial and material assistance from drug traffickers in each case one or another agency of the US government had information regarding the involvement either while it was occurring or immediately thereafter the subcommittee found that the Contra drug links included involvement and narcotics trafficking by individuals associated with the Contra movement participation of narcotics traffickers and Contras supply operations through business

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supply operations through business relationships with contra organizations provision of assistance to the Contras by narcotics traffickers including cash weapons planes pilots air supply services and other materials on a voluntary basis by the traffickers payments drug traffickers by the US State Department of funds authorized by the Congress for humanitarian assistance to the Contras in some cases after the traffickers had been indicted by federal law enforcement agencies on drug charges and others while traffickers were under active investigation by these same agencies these activities were carried out in connection with contra activities in both Costa Rica and Honduras the subcommittee found that the links that were forged between the Contras and the drug traffickers were primarily pragmatic rather than ideological the drug traffickers who had significant financial and material resources needed the cover of legitimate activity for their criminal enterprises a trafficker like George Morales hoped to have his drug indictment dropped in return for his financial and material support of the Contras others in the words of Marcos aguado Eden pastores Air Force chief quote took advantage of the anti-communist sentiment which existed in Central America and they undoubtedly used it for drug trafficking end quote while for some Contras it was a matter of survival for the traffickers it was just another business deal to promote and protect their own operations to the executive branch response to contra drug charges in the wake of press accounts concerning links between the Contras and

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concerning links between the Contras and drug traffickers beginning December 1985 with a story by The Associated Press both houses of the Congress began to raise questions about the drug-related allegations associated with the Contras causing a review in the spring of 1986 of the allegations by the State Department in conjunction with the Justice Department and relevant US intelligence agencies following that review the State Department told the Congress in April 1986 that it had at that time quote eviden of a limited number of incidents in which known drug traffickers tried to establish connections with Nicaraguan resistance groups end quote according to the Department quote these attempts for the most part took place during the period when the resistance was receiving no US funding and was particularly hard pressed for financial support end quote the report acknowledged that quote drug traffickers were attempting to exploit the desperate conditions end quote in which the Contras found themselves the department had suggested that while individual members of the Contra movement might have been involved their drug trafficking was quote without the authorization of resistance leaders end quote following further press reports linking Contras supply operations to narcotics and inquiries from the Foreign Relations Committee to the State Department concerning these links the State Department issued a second statement to the Congress concerning the allegations on July 24th 1986 in this report the State Department said quote the available evidence points to involvement with drug traffickers by a limited number of persons having various kinds of affiliations with or political sympathies for the resistance groups and

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sympathies for the resistance groups and quote a year later in August 1987 the CIA's Central American Task Force chief became the first US official to revise that assessment to suggest instead that the links between Contras on the southern front and Costa Rica to narcotics trafficking was in fact far broader than that acknowledged by the State Department in 1986 appearing before the iran-contra committees the CIA Central

American Task Force chief testified quote with respect to drug trafficking by the resistance forces it is not a couple of people it is a lot of people end quote the CIA's chief of the Central American task force went on to say quote we knew that everybody around Pastora was involved in cocaine his staff and friends redacted they were drug smugglers or involved in drug smuggling end quote the Justice Department was slow to respond to the allegations regarding links between drug traffickers and the Contras in the spring of 1986 even after the State Department was acknowledging there were problems with drug trafficking in association with contra activities on the southern front the Justice Department was adamantly denying that there was any substance to the narcotics allegations at the time the FBI had significant information regarding the involvement of narcotics traffickers in contra operations and Neutrality Act violations the failure of US law enforcement and intelligence agencies to respond properly to allegations concerning criminal activity relating to the Contras was demonstrated by the handling of the committee's own investigation by the Justice Department and the CIA in the spring of 1986 on May 6th 1986 a bipartisan group of committee

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6th 1986 a bipartisan group of committee staff met with representatives of the Justice Department FBI DEA CIA and State Department to discuss the allegations that Senator Kerry had received information of neutrality Act violations gun running and drug trafficking in association with contra organizations based on the southern front in Costa Rica and the days leading up to the meeting Justice Department spokesman were stating publicly that quote the FBI had conducted an inquiry into all of these charges and none of them have any substance end quote at that meeting Justice Department officials privately contradicted the numerous public statements from the department that these allegations had been investigated thoroughly and were determined to be without foundation the Justice Department officials at the meeting said the public statements by Justice were inaccurate the Justice officials confirmed there were ongoing neutrality investigations in connection with the allegations raised by Senator Kerry at the same meeting representatives of the CIA categorically denied that the Neutrality Act violations raised by the committee staff had in fact taken place citing classified documents which the CIA did not make available to the committee in fact at the time the FBI had already assembled substantial information confirming the Neutrality Act violations including admissions by some of the persons involved indicating that crimes had taken place in August 1986 Senator Richard Lugar then chairman of the committee and the ranking member senator Claiborne Pell wrote the Justice Department requesting information on 27 individuals and organizations associated with the Contras concerning allegations of their involvement in narcotics trafficking and illegal gun running the

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trafficking and illegal gun running the Justice Department refused to provide any information in response to this request on the grounds that the information remained under active investigation and that the committee's quote rambling through open investigations gravely risks compromising those efforts end quote on October 5th 1988 the subcommittee received sworn testimony from the Miami prosecutor handling the neutrality and gun-running cases that he had been advised that some officials in the Justice Department had met in 1986 to discuss how to undermine Senator Kerry's attempts to have hearings regarding the allegations the subcommittee took a number of depositions of Justice Department personnel involved in responding to the committee investigation or in prosecuting allegations stemming from the committee's investigation each denied participating in any agreement to obstruct or interfere with a congressional investigation in order to place in their proper perspective the attempts to interfere with or undermine the committee investigation a lengthy chronology has been prepared which appears at a pending a of this report three the guns and drug smuggling infrastructure develops covert war insurgency and drug trafficking frequently go hand in hand without regard to ideology or sponsorship General Paul Gorman testified that the use of narcotics profits by armed resistance groups was commonplace Gorman stated further that quote if you want to move arms or munitions in Latin America the established networks are owned by the cartels it has lent itself to the purposes of terrorists of saboteurs of spies of insurgents and subversives end

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spies of insurgents and subversives end quote DEA assistant administrator David West rate said of the Nicaraguan war quote it is true that people on both sides of the equation and the Nicaraguan war were drug traffickers and a couple of them were pretty significant end quote drug trafficking associated with revolution in Nicaragua began during the late 1970s with the Sandinistas attempt to overthrow the regime of anastasio somoza debayle a at the time the Sandinistas were supported by most governments in the region those governments helped provide the FSLN with the money weapons and the sanctuary they needed to overthrow Somoza costa rica which has dozens of unsupervised air strips near the Nicaraguan border became an important supply and staging area for the Sandinistas these air strips were used by Noriega and others for shipments of weapons to the Sandinistas former senior Costa Rican law enforcement officials told the subcommittee they were instructed to keep their narcotics investigators away from the Nicaraguan border during the sandanista revolution even when they had received hard information about drugs on the aircraft delivering weapons the officials an effort to avoid controversy regarding the war toward the tips and let the flights go a number of Costa Ricans became suppliers for the Sandinistas these included I'm a PK Guerra who owned a crop dusting service and a related aircraft support business in northern Costa Rica Guerra refueled and repaired the planes which came from Panama loaded with Cuban weapons for the Sandinistas garras crop-dusting business was excellent cover for the movement of aviation fuel to the dozens of remote air strips they used without arousing the suspicions of

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used without arousing the suspicions of Costa Rican authorities when the sandanista insurgency succeeded in 1979 smuggling activity in northern Costa Rica did not stop surplus weapons originally stored in Costa Rica for use by the Sandinistas were sold on the black market in the region some of these weapons were shipped to the Salvadoran rebels from the same air strips in the same planes flown by the same pilots who had previously worked for the Sandinistas Costa Rican law enforcement authorities said that the drug trafficking through northern Costa Rica continued as well they said that their police units lacked the men the communications equipment and the transport to close down the air strips and seize weapons and drugs wernher lots a Costa Rican pilot serving sentence for drug smuggling testified that there was little the Costa Rican government could do to deal with the continuing drug trafficking quote Costa Rica has got only civil guards underpaid and easily bought to be very clear our guard down there is barefoot and you're talking about 50 men to cover 400 kilometers maybe endquote for drug trafficking and the covert war when the southern front against the sandanista government in Nicaragua was established in 1983 Costa Rica remained ill-equipped to deal with the threat posed by the Colombian drug cartels then as now the country too not have a military it's law enforcement resources remain limited and its radar system still so poor that Contra supply planes could fly in and out of the clandestine strips without being detected following their work on behalf of the Sandinistas and the Salvadoran rebels the Colombian and Panamanian drug

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the Colombian and Panamanian drug operatives were well positioned to exploit the infrastructure now serving and supplying the Contras southern front this infrastructure was increasingly important to the drug traffickers as this was the very period in which the cocaine trade to the u.s. from Latin America was growing exponentially in the words of Karol preto an officer of the our day contra organization of Eden Pastora on the southern front quote drug traffickers approaches political groups like our day trying to make deals that would somehow camouflage or cover-up their activities end quote the head of the Costa Rican Air Force and personal pilot to to Costa Rican Presidents Werner Lotz explained the involvement of drug traffickers with the Contras in the early days of the establishment of the southern front as a consequence of the Contras lack of resources quote there was no money there were too many leaders and too few people to follow them and everybody was trying to make money as best they could and quote the logic of having drug money pay for the pressing needs of the Contras appealed to a number of people who became involved in the covert war indeed senior US policymakers were not immune to the idea that drug money was a perfect solution to the Contras funding problems as DEA officials testified last July before the House Judiciary Subcommittee on crime Lieutenant Colonel Oliver North suggested to the DEA in June 1985 that one and a half million dollars

in drug money carried aboard a plane piloted by DEA informant Barry seal and generated in a sting of the Medellin Cartel and sandanista officials be provided to the Contras while the suggestion was rejected by the DEA the fact that it was

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rejected by the DEA the fact that it was made highlights the potential appeal of drug profits for persons engaged in covert activity lots said that contra operations on the southern front were in fact funded by drug operations he testified that weapons for the Contras came from Panama on small planes carrying mixed loads which included drugs the pilots unloaded the weapons refueled and headed north toward the US with drugs the pilots included Americans Panamanians and Colombians and occasionally uniformed members of the Panamanian Defense Forces drug pilots soon began to use the contra air strips to refuel even when there were no weapons to unload they knew that the authorities would not check the air strips because the war was protected the problem of drug traffickers using the air strips also used to supply the Contras persisted through 1985 and 1986 by the summer of 1986 it became a significant concern to the US government officials who were involved in the covert contra supply operations undertaken during the Boland Amendment period as then CIA station chief Tomas Castillo testified to the iran-contra committees US ambassador to Costa Rica Luis Thames wanted to place guards on the secret contra supply airstrip at Santa Elena and Costa Rica to avoid quote having drug traffickers used that site and this was a continuing concern during the period of June July and August end quote the concern highlights the degree to which the infrastructure used by the Contras and that used by drug traffickers was potentially interchangeable even in a situation in which the US government had itself established and maintained the airstrip

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established and maintained the airstrip involved five the pilots pilots who made combined contra weapons drug flights through the southern front included Gerardo Duran a Costa Rican pilot in the airplane parts supply business Duran flew for a variety of contra organizations on the southern front including those affiliated with Alfonso rabello Fernando el Negro Chamorro and Eden Pastora before US officials insisted that the Contras sever their ties from Duran because of his involvement with drugs Duran was convicted of narcotics trafficking in Costa Rica in 1987 and jailed Gary Wayne bets nur drug pilot who worked for convicted smuggler George Morales bets nur testified that twice in 1984 he flew weapons for the Contras from the u.s. to northern Costa Rica and returned to the United States with loads of cocaine bets nur is presently serving a lengthy prison term for drug smuggling Jose ship owned Rabello the head of UD n fa RN Air Force on the southern front row Bello turned to narcotics trafficking and reselling goods provided to the Contras by the u.s. six US government funds and companies with drug connections the State Department selected four companies owned and operated by narcotics traffickers to supply humanitarian assistance to the Contras the companies were set co-heir a company established by Honduran drug trafficker ramón matta-ballesteros D AXA a Miami based air company operated as the headquarters of a drug trafficker enterprise for convicted drug traffickers Floyd Carlton and Alfredo Caballero free Jerry for cosa de Puntarenas a firm

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free Jerry for cosa de Puntarenas a firm owned and operated by Cuban American drug traffickers vortex an air service and supply company partly owned by admitted drug trafficker Michael Palmer in each case prior to the time that the State Department entered into contracts with the company federal law enforcement had received information that the individuals controlling these companies were involved in narcotics officials at NHA OH told Gao investigators that all the supply contractors were to have been screened by US intelligence and law enforcement agencies prior to they're receiving funds from State Department on behalf of the Contras to ensure that they were not involved with criminal activity neither the GAO nor the NH AO were certain whether or not that had actually been done the payments made by the State Department to these four companies between January and August 1986 or as follows set Co for air transport services one

hundred eighty five thousand nine hundred $24.25 died AXA for airplane engine parts forty one thousand one hundred $20.90 free Jerry fee Coast day Puntarenas as a broker supplier for various services to Contras on the southern front two hundred sixty one thousand nine hundred thirty two dollars vortex for air transport services three hundred seventeen thousand four hundred twenty-five dollars seventeen cents total eight hundred six thousand four hundred $1.20 a number of questions arise as a result of the selection of these four companies by the State Department for the provision of humanitarian assistance to the Contras to which the subcommittee has been unable to obtain clear answers who selected these firms to provide services to the Contras paid for with public

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to the Contras paid for with public funds and what criteria were used for selecting them where any US officials in the CIA NSC or State Department aware of the narcotics allegations associated with any of these companies if so why were these firms permitted to receive public funds on behalf of the Contras why were contra suppliers not checked against federal law enforcement records that would have shown them to be either under active investigation as drug traffickers or in the case of Dai AXA actually under indictment ambassador Robert dueling director of the Nicaraguan humanitarian assistance organization NHA oh who is responsible for the operation of the program was unable to recall how these companies were selected when questioned by Senator Kerry in April 1988 ambassador doom Ling also could not recall whether or not the contractors had in fact been checked against law enforcement records prior to receiving funds from the State Department in previous testimony before the iran-contra committees ambassador doom Ling had recalled that NH AO had been directed by Lieutenant Colonel Oliver North to continue quote the existing arrangements of the resistance movement and quote and choosing contractors at best these incidents represent negligence on the part of US government officials responsible for providing support to the Contras at worst it was a matter of turning a blind eye to the activities of companies who use legitimate activities as a cover for their narcotics trafficking a set Co hon do Caribe before being chosen by the State Department to transport goods on behalf of the Contras from late 1985 through mid 1986 set Co had a

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through mid 1986 set Co had a long-standing relationship with the largest of the Contra groups the Honduras based fdn beginning in 1984 set Co was the principal company used by the Contras in Honduras to transport supplies and personnel for the fdn carrying at least a million rounds of ammunition food uniforms and other military supplies for the Contras from 1983 through 1985 according to testimony before the iran-contra committees by fdn leader Adolfo Calero said Co received funds for contra supply operations from the contra accounts established by oliver north US law enforcement records state that set Co was established by Honduran cocaine trafficker one matta-ballesteros whose 1988 extradition from Honduras to the United States in connection with drug trafficking charges caused riots outside the US Embassy in Tegucigalpa for example a 1983 customs investigative report states that quote set Co stands for services eject Evo's turistas commander and is headed by one ramón matta-ballesteros a class-one DEA violator and quote the same report states that according to the Drug Enforcement Agency quote set Co aviation as a corporation formed by American businessmen who were dealing with Mata and are smuggling narcotics into the United States end quote one of the pilots selected to fly contra supply missions for the fdn forset Co was Frank moss has been under investigation as an alleged drug trafficker since 1979 Moss has been investigated although never indicted for narcotics offenses by ten different law enforcement agencies in addition to flying contra supply missions through

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flying contra supply missions through set Co Maas formed his own company in 1985 hon do Caribe which also flew supplies to the Contras including weapons and ammunition purchased from RM equipment an arms company controlled by Ronald Martin and James McCoy the F D ends arrangement with moss and Hahn do Caribe was pursuant to a commercial agreement between the FD NS chief supply officer Mario Calero and

moss under which Calero was to receive an ownership interest in mosses company the subcommittee received documentation that one Moss plain ADC for in nine zero two zero one was used to move contra Goods from the United States to Honduras on the basis of information alleging that the plane was being used for drug smuggling the Customs Service obtained a court order to place a concealed transponder on the plane a second D see for controlled by mas was chased off the west coast of Florida by the Customs Service while it was dumping what appeared to be a load of drugs according to law enforcement personnel when the plane landed at Port Charlotte no drugs were found on board but the planes registration was not in order and its last known owners were drug traffickers law enforcement personnel also found an address book aboard the plane containing among other references the telephone numbers of some contra officials and the Virginia telephone number of Robert Owen Oliver North's courier a law enforcement inspection of the plane revealed the presence of significant marijuana residue DEA seized the aircraft on March 16 1987 be free go terrific OHS day Puntarenas free go terrific OHS day Puntarenas is a Costa Rican seafood

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Puntarenas is a Costa Rican seafood company which was created as a cover for the laundering of drug money according to grand jury testimony by one of its partners and testimony by ramon me leon rodriguez the convicted money launderer who established the company from its creation it was operated and owned by luis rodriguez of miami florida and Carlos Soto and Ubaldo Fernandez two convicted drug traffickers to launder drug money Luis Rodriguez who according to Massachusetts law enforcement officials directed the largest marijuana smuggling ring in the history of the state was indicted on drug trafficking charges by the federal government on September 30th 1987 and on tax evasion in connection with the laundering of money through ocean hunter on April 5th 1988 Luis Rodriguez controlled the bank account held in the name of free Jerry fuko's which received 260 1937 dollars in humanitarian assistance funds from the State Department in 1986 Rodriguez signed most of the orders to transfer the funds for the Contras out of that account Rodriguez was also president of Ocean an American seafood company created for him by Ramone million Rodriguez ocean hunter imported seafood it bought from free sharifa Coast and used the intercompany transactions to launder drug money in statements before a florida federal grand jury in connection with a narcotics trafficking prosecution of Luis Rodriguez Soto testified that he knew Luis Rodriguez as a narcotics trafficker who had been smuggling drugs into the u.s. since 1979 Soto also testified that they were partners in the shipment of thirty five thousand pounds of marijuana to Massachusetts in nineteen eighty-two million rodriguez told federal authorities about luis rodriguez narcotics trafficking prior to

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rodriguez narcotics trafficking prior to Milian Rodriguez's arrest in May 1983 in March and April 1984 IRS agents interviewed Luis Rodriguez regarding ocean hunter drug trafficking and money laundering and he took the Fifth Amendment in response to every question in September 1984 Miami police officials advised the FBI of information they had received that ocean hunter was funding contra activities through narcotics transactions and noting that Luis Rodriguez was its president this information confirmed previous accounts the FBI had received concerning the involvement of ocean hunter and its officers and Contra supply operations involving the Cuban American community despite the information possessed by the FBI customs and other law enforcement agencies documenting luis rodriguez involvement in narcotics trafficking and money laundering the State Department used free jury focus which he owned and operated to deliver humanitarian assistance funds to the Contras in late 1985 official funds for the Contras from the United States began to be deposited into the free sharifa COEs account in early 1986 and continued until mid 1986 in May 1986 senator Kerry advised the Justice Department Drug Enforcement Agency State Department Nha oh and CIA of allegations he had received involving Luis Rodriguez and his companies and drug trafficking and money laundering in August 1986 the Foreign Relations Committee asked Justice whether the allegations about Luis Rodriguez were true and requested documents to determine whether the State Department might have in fact provided funds to a company controlled by drug traffickers justice refused to answer the inquiry the indictment of Luis

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the inquiry the indictment of Luis Rodriguez on drug charges 18 months later demonstrated that the concerns raised by Senator Kerry to the Justice Department and other agencies in May 1986 concerning his companies were well-founded as the State Department had in fact chosen companies operated by drug traffickers to supply the Contras si died AXA died AXA was an aircraft dealership and part supply company partly owned by the getter of family of Costa Rica dye acts as president Alfredo Caballero was under DEA investigation for cocaine trafficking and money laundering when the State Department chose the company to be an NH AO supplier Caballero was at that time a business associate of Floyd Carlton the pilot who flew cocaine for Panama's general Noriega in an affidavit filed in federal court in January 1985 DEA Special Agent Daniel E Moritz described working as an undercover money-launderer quote for the purpose of introducing myself into a criminal organization involved in importing substantial quantities of cocaine into the United States from South America end quote that organization was the Carleton Caballero partnership according to agent Moretz the cocaine traffickers used died AXA offices quote as a location for planning smuggling ventures for assembling and distributing large cash proceeds of narcotics transactions and for placing telephone calls in furtherance of the smuggling ventures end quote from March 1985 until January 1986 Moritz received approximately 3.8 million dollars in US currency from members of this organization quote to be distributed primarily in the form of

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distributed primarily in the form of wire transfers around the world end quote most of the 3.8 million dollars was delivered in dye axes offices Moretz met both Alfredo Caballero and Floyd Carlton in March of 1985 Moretz had previously learned from a confidential informant that Carleton was a quote major cocaine trafficker from Panama who frequented died AXA and was a close associate of Alfredo Caballero end quote the informant added that quote Caballero provided aircraft for Floyd Carlton Cassius's cocaine smuggling ventures end quote and that Caballero allowed Carlton and quote members of his organization to use Die AXA offices as a location for planning smuggling ventures for assembling and distributing large cash proceeds of narcotics transactions and for placing telephone calls in furtherance of the smuggling ventures end quote Alfredo Caballero was described by the informant quote as the man in charge of operations for Floyd Carlton Cazadores cocaine transportation organization end quote other members of the group were Miguel Alemany Soto who recruited pilots and selected aircraft and landing strips and Cecilia Suns battery ax the confidential informant said that Sons was a Panamanian quote in charge of supervising the landing and refueling of the organization's aircraft at air strips on the Panama Costa Rica border end quote and that he quote arranges for bribe payments for certain Costa Rican officials to ensure the protection of these aircraft as they head north loaded with cocaine and quote during 1984 and 1985 the principle contre organization the fdn chosed i AXA for intra account transfers the

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for intra account transfers the laundering of money through dai AXA concealed the fact that some funds for the Contras were through deposits arranged by Lieutenant Colonel Oliver North the indictments of Carlton Caballero and five other defendants including Alfred Caballero Rose son Lewis were handed down on January 23rd 1985 the indictment charged the defendants with bringing into the United States on or about September 23rd 1985 nine hundred pounds of cocaine in addition the indictment charged the defendants with laundering 2.6 million dollars between March 25th 1985 and January 13th 1986 despite the indictments the State Department made payments on May 14 1986 and September 3rd 1986 totaling 41,000 120 dollars and 90 cents to dye AXA to provide services to the Contras in addition the State Department was still doing business with dye AXA on its own behalf six months after the company's principles had been indicted court papers filed in the case in July in 1986 showed that the u.s. embassies of Panama and Costa Rica were clients of dye AXA while dye AXA and its principles were engaged in plea bargaining negotiations with the Justice Department regarding the cocaine trafficking and money laundering charges u.s. embassy personnel in Panama and Costa Rica were meeting with one of the defendants to discuss purchasing Cessna planes

from the company each of the defendants in the dioxin case was ultimately convicted on charges of importing cocaine into the United States the sentences they received ranged from 10 years for one non cooperating defendant to nine years for Floyd Carlton to three years probation for Luis Caballero and five

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probation for Luis Caballero and five years probation for his father died axes owner Alfredo Caballero as consequence of their cooperation with the government d vortex when the State Department signed a contract with vortex to handle contra supplies Michael B Palmer then the company's executive vice president signed for vortex at the time Palmer was under active investigation by the FBI and three jurisdictions in connection with his decade-long activity as a drug smuggler and a federal grand jury was preparing to indict him in Detroit the contract required vortex to receive goods for the Contras store pack and inventory them at the time the contract was signed for Texas principal assets were two airplanes which Palmer previously used for drug smuggling vortex was selected by NHA Oh assistant director Philip bouche ler following calls among bouche ler Palmer and Pat Foley the president of Summit aviation 7 the case of George Morales and FRS our day in 1984 the contra forces under Eden Pastora were in an increasingly hopeless situation on May 30th 1984 Paz Toro was wounded on May 30th 1984 Pastora was wounded by a bomb at his base camp at la penka Nicaragua close to the Costa Rica border that same day according to our day officer general preto aid to our day from the United States was cut off despite continued pressure from the United States Pastora refused to place his r-day forces under a unified command

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his r-day forces under a unified command with the largest of the contra organizations the Honduras based fdn the CIA considered Pastora to be disruptive and unpredictable by the time the Boland amendment cut off legal military aid to the Contras the CIA had seen to it that Pastora did not receive any assistance and his forces were experiencing desperate conditions although there are discrepancies among the parties as to when the initial meeting took place Pastores organization was approached by George Morales a Colombian drug trafficker living in Miami who had been indicted on narcotics trafficking charges according to the State Department report to the Congress of July 26th 1986 quote information developed by the intelligence community indicates that a senior member of Eden pastores Sandino Revolutionary front FRS agreed in late 1984 with Morales that FRS pilots would aid in transporting narcotics in exchange for financial assistance the fr-s official agreed to use FRS operational facilities in Costa Rica and Nicaragua to facilitate transportation of narcotics Morales agreed to provide financial support to the FRS in addition to aircraft and training for FRS pilots after undergoing flight training the fr-s pilots were to continue to work for the FRS but would also fly narcotics shipments from South America to sites in Costa Rica and Nicaragua for later transport to the United States shortly thereafter Morales reportedly provided the FRS one c-47 aircraft and two crated helicopters he is reported to have paid the sum of $100,000 to the FRS but there

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the sum of $100,000 to the FRS but there was no information available on who actually received the money and quote the State Department said it was aware of only one incident of drug trafficking resulting from this agreement between the Contras and Morales and that was the case of contra pilot Gerardo Duran Duran was arrested in January 1986 in Costa Rica for his involvement in transporting cocaine to the United States Duran was an FRS pilot from 1982 to 1985 and operated an air taxi service in Costa Rica according to Marco aguado and Carole preto Duran would fly supplies to the Contras on the southern front and he would charge for each flight Robert Owen courier for Lieutenant Colonel Oliver North testified to the iran-contra committees that he told north he thought Carroll preto was involved in trafficking drugs out of Panama and that pastores pilot Marco aguado was also involved the subcommittee was unable to validate Owens claims Pareto vehemently denied these allegations stating that he believed the drug trafficking allegations against Pastora were the result of a CIA effort to discredit him Morales testified that his involvement with the Contras started in 1984 at the urging of Marta Healy the widow of one of his drug pilots Richard Healy Marta Healy's first

husband was Adolfo popo Chamorro the second-in-command to Eden Pastora in the FRS she came from a prominent Nicaraguan family at the time of his first contract Morales was under indictment for marijuana smuggling he testified that he thought by assisting the contra cause his indictment would be dropped Marta Healy introduced Morales to popo gemoro Marco aguado and Octavia

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to popo gemoro Marco aguado and Octavia noses are at a meeting in Miami according to Morales he wanted to make a deal he would help the contras with their needs and quote they in exchange would help me with my objective which was solving my indictment and a quote Morales believed that contra leaders would help him solve his legal problems because of their contacts with the CIA on October 31st 1987 in San Jose Costa Rica the subcommittee videotaped the depositions of three contra leaders with intimate knowledge of the Morales relationship with Pastores organization and video depositions the three were catarrhal Preto Pastores head of communications marco aguado Pastores air force chief octavia no say czar who along with his brother Alfredo were political allies of pastores at the time a fourth Adolfo Papa gemoro who is Pastores second-in-command in our day testified in closed session of the subcommittee in April 1988 Chamorros testimony was taken in closed session by the consent of the subcommittee at his request dick McCall of Senator Kerry's personal staff and an arrangement worked out with gemoro and his attorneys subsequently interviewed him in Miami each denied knowing that Morales was under indictment for drug trafficking when they first met him at Marta Healy's house in Miami Popo gemoro said that as far as he knew morales was just another rich Miami resident with strong anti-communist feelings in addition all three denied receiving more than $10,000 in cash from Morales the subcommittee found that $10,000 was given to Popo Chamorro to cover the cost of transporting a c-47 owned by morales which he donated to our day from haiti

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which he donated to our day from haiti to elope on go air force base in el salvador while denying receiving funds personally Prado aguado and say's are each confirmed elements of Morales story according to Prado Octavio no say czar and his brother Adolfo allied themselves politically with Pastora in the summer of 1984 a decision was then made to send Popo Chamorro and Octavio no cesare to the United States to look for funds in September Popo gemoro returned to costa rica with photographs of a dc4 and a howard plane and told Pastora that they would get six more planes including a navajo panther from george morales Pastora told gemoro that the c-47 was the most practical plane for the Contras at the time and Popo returned to Miami to arrange for its transfer gemoro provided the subcommittee with an aircraft purchase order dated October 1st 1984 they notarized purchase order provided that for the sum of $1 a McDonnell Douglas dc-3 the civilian designation for a c-47 would be transferred to Marco aguado the order was signed by George Morales as the seller and by Marco aguado as the purchaser in addition gemoro gave the subcommittee a list of flights made by that 747 to ferry arms from ill upon go to Costa Rica and la penka between October 18th 1984 and February 12 1986 some 156 thousand pounds of material were moved from L o Pango to airfields in Costa Rica of the 24 flights during this period eleven were to LA penka on the Nicaraguan side of the rio san juan the subcommittee substantiated key elements of the Morales story although

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elements of the Morales story although it did not find evidence that says our gemoro or preto were personally involved in drug trafficking first all witnesses agreed that Morales gave our de ac-47 evidence of an association between them is also provided by a customs document this document provided the committee by the US Customs Service shows that Morales entered the United States from the Bahamas on October 13th 1984 with Marco aguado Octavio no Cesare and Popo gemoro they carried $400,000 in cash and checks which were declared by aguado Chamorro and Cesare they claimed that the checks and money were returned to Morales after clearing customs aguado summarized the relationship between the southern front Contras and the drug traffickers in terms of the exploitation of the Contra movement by individuals involved in narcotics smuggling according to aguado the trafficking organizations quote took advantage of the anti-

communist sentiment which existed in Central America and they undoubtedly used it for drug trafficking end quote referring to the resupply operations aguado said the traffickers used quote the same connections the same air strips the same people and maybe they said that it was weapons for eatin Pastora and it was actually drugs that would later go on to the u.s. they fooled people unfortunately this kind of activity which is for the freeing of a people is quite similar to the activities of the drug traffickers and a quote Octavian o say czar testified that when he dealt with Morales he was quote thinking in terms of the security of my country it just didn't enter my mind that I would become involved in such a mess because it never entered into my mind to get in that drug business I went a

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get in that drug business I went a couple of times inside in Nicaragua and I saw people there young kids 15 16 years old they were carrying 30 40 rounds of ammunition against the Sandinistas and that's why I did it I'm not proud of it but I just didn't have any choice I mean the US Congress didn't give us any choice they got these people into a war the people went inside of Nicaragua 80 miles inside they had thousands of supporters campesinos there helping them now when those people retreat those campesinos were murdered by the Sandinistas i don't want that but that's the reality of life end quote in addition says-- are told the subcommittee that he told a CIA officer about morales and his offer to help the contras quote Senator Kerry did you have occasion to say to someone in the CIA that you were getting money from him and you were concerned he was a drug dealer did you pass that information on to somebody mister says AR yes I passed the information on about the not that relations well it was the relations and the airplanes yes and the CIA people at the American military attachés office that were based in el upon go also and any person or any plane landed there they had to go Senator Kerry and they basically said to you that it was alright as long as you don't deal in the powder is that correct is that a fair quote mr. says AR yes end quote after the LA penka bombing of May 30th 1984 all assistance was cut off by the CIA to our day while other contra groups on both fronts continued to receive support from the US government through a variety of channels the United States

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variety of channels the United States stated that the cut-off of our day was related to the involvement of its personnel and drug trafficking yet many of the same drug traffickers who had assisted our day were also assisting other contra groups that continued to receive funding Morales for example used Geraldo Duran as one of his drug pilots and Duran worked for Alfonso Ribeiro and Fernando el Negro gemoro who were associated with other contra groups as well as for our day in a sworn deposition which was taken in San Jose Costa Rica by the subcommittee on October 31st 1987 Caroll Preto Pastores treasurer and procurement officer vehemently denied allegations concerning the personal involvement of our day leadership in drug trafficking Preto said that because of Pastores problems with the US government it was his belief that the CIA was attempting to discredit the former sandanista comandante a and his supporters in our day with allegations that they were involved in drug trafficking Tomas Castillo the former CIA station chief in Costa Rica who was indicted in connection with the iran-contra affair testified before the iran-contra committees that when the CIA became aware of narcotics trafficking by Pastores supporters and lieutenants those individuals activities were reported to law enforcement officials however Morales continued to work with the Contras until January 1986 he was indicted for a second time in the Southern District of Florida for a January 1986 cocaine flight to Bahamas and was arrested on June 12th 1986 Morales testified that he offered to cooperate with the government soon after he was arrested and that he was willing to take a lie-detector test he said his attorneys repeated the offer on his behalf several times but on each occasion the US attorney Leon Kilner

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occasion the US attorney Leon Kilner refused leon Kellner and richard gregory then the head of the criminal division of the miami US Attorney's office met with the staff of the committee in November 1986 they said that Morales story was not credible and that Morales was trying to get his sentence reduced by cooperating

with a Senate committee as Morales had not yet been sentenced both Kilner and Gregory discouraged the staff from meeting with Morales at that time and the staff respected their request Kellner and Gregory said that Morales was like the many Miami cocaine traffickers who used the I was working for the CIA defense following his testimony before the subcommittee Morales renewed his offer to work with the government this time federal law enforcement officials decided to accept the offer morales provided the government with leads that were used by law enforcement authorities in connection with matters remaining under investigation in november 1988 the DEA gave morales a lengthy polygraph examination on his testimony before the subcommittee and he was considered truthful 7 john hole john hole was a central figure in contra operations on the southern front when they were managed by oliver north from 1984 through late 1986 before that according to former costa ricans CIA station chief thomas Castillo's public testimony hole had helped the CIA with military supply and other operations on behalf of the Contras in addition during the same period hole received $10,000 a month from Adolfo Calero of the fdn at North's Direction hole is an Indiana armored who lives in northern Costa Rica he came to Costa Rica in the mid-1970s

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he came to Costa Rica in the mid-1970s and persuaded a number of North Americans to invest in ranch land in the northern part of the country using their money and adding some of his own he purchased thousands of acres of Costa Rican farmland properties under his ownership management or control ultimately included at least six air strips to the many pilots and revolutionaries who passed through the region this collection of properties and air strips became known as John Hall's ranch on March 23rd 1984 seven men aboard a u.s. government-owned dc-3 were killed when the cargo plane crashed near hols ranch revealing publicly that whole was allowing his property to be used for air drops of supplies to the Contras but even before this public revelation of hulls role in supporting the Contras officials in a variety of Latin American countries were aware of holes activities as a liaison between the Contras and the United States government Jose bland own testified for example the former Costa Rican vice president Daniel oh do bear suggested he land own meat with whole in 1983 to discuss the formation of a unified southern contra command under Eden Pastora five witnesses testified that whole was involved in cocaine trafficking Floyd Carlton Werner laughts Jose blende own George Morales and Gary bets nur Betts nur was the only witness who testified that he was actually present to witness cocaine being loaded onto planes headed for the United States in holes presence Watts said that drugs were flown into Hall's ranch but that he did not personally witness the flights he said he heard about the drug flights from the Colombian and Panamanian pilots who allegedly flew drugs to holes air strips Watts described the strips as

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strips Watts described the strips as quote a stop for refuel basically the aircraft would land there would be fuel waiting for them and then would depart they would come in with weapons and drugs end quote lots said that hole was paid for allowing his air strips to be used as a refueling stop two witnesses blend own and Carlton recounted an incident involving the disappearance of a shipment of five hundred thirty eight kilos of cocaine owned by the Pereira or Cali cocaine cartel teófilo Watson a member of Carlton's smuggling operation was flying the plane to Costa Rica for the cartel the plane crashed and Watson was killed the witnesses believed that the crash occurred at hols ranch and the hole took the shipment and bulldozed the plane a Cessna 310 into the river Carlton testified that the Colombians were furious when they discovered the cocaine missing he said they sent gunman after hole and in fact kidnapped a member of hulls family to force the return of the cocaine when that failed they became convinced that Carlton himself stole the cocaine and they sent gunmen after him the gunmen dug up Carlton's property in Panama with a backhoe looking for the lost cocaine and Carlton fled for his life to Miami Gary bets nur started flying former Alice's drug smuggling Network in 1981 bets NAR testified that his first delivery of arms to the Contras was in 1983 when he flew a dc-3 carrying grenades and mines to Allah Pongo Air Force Base in El Salvador his copilot on the trip was Richard Healy who had flown drugs for Morales bets nurse said the weapons were unloaded at Allah Pongo by Salvador and military personnel and an American whom he assumed worked for the

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American whom he assumed worked for the US Department of Defense bets near testified that he and Healy flew the plane on to Colombia where they picked up a load of marijuana and returned to their base at great harbour Cay in the Bahamas according to bets nur the next contra weapons and drugs flight took place in July in 1984 Morales asked him to fly a load of weapons two holes wrench and to pick up a load of drugs bets nerf luis cessna 402c - john halls ranch according to bets nur he was met at the airstrip by Hull and they watched the cargo of weapons being unloaded and cocaine packed in 17 duffel bags and five or six two-foot square boxes being loaded into the now-empty Cessna bets nur then flew the plane to a field at Lakeland Florida yet another guns for drugs flight was made two weeks later on this trip vet's nurse said he flew a panther to an airstrip called Los Llanos about 10 miles from holes properties and not far from the voice of America transmitter in northern Costa Rica bets nur testified that hall met him again and the two watched while the weapons were unloaded and approximately 500 kilos of cocaine and 17 duffel bags were loaded for the return flight to Florida hole became the subject of an investigation by the US attorney for the Southern District of Florida in the spring of 1985 in late March 1985 assistant US attorney Jeffrey Feldman and two FBI agents went to Costa Rica to investigate Neutrality Act violations by participants in the Contra resupply network that were also under investigation at the same time by Senator Kerry both the Feldman and Kerry inquiries had been prompted in part by statements made to reporters by soldiers of fortune in prison in Costa Rica who alleged John hull was providing support

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alleged John hull was providing support for the Contras with the help of the national security council Feldman and the FBI agents met with US ambassador to Costa Rica Louis Thames and the CIA chief of station Tomas Castillo who told him John whole-new Rob Owen and Oliver North and gave the impression that hole had been working for US interests prior to March of 1984 in addition one of the embassy security officers Jim Nagle told one of the FBI agents accompanying Feldman that regarding Feldman's inquiries quote these were agencies with other operational requirements and we shouldn't interfere with the work of these agencies end quote when Feldman attempted to interview whole Feldman learned that whole was told by the embassy staff not to talk to him without an attorney present Feldman concluded the u.s. embassy officials in Costa Rica were taking active measures to protect whole after Feldman interviewed two of the mercenaries Peter glimmery and Stephen Carr regarding their allegations of holes involvement in criminal activity Feldman learned that Kirk Cotulla Consul in San Jose was quote trying to get car and the rest of these people to recant their statements regarding Hall's involvement with the CIA and with any other American agency Feldman added quote it was apparent we were stirring up some problem with our inquiries concerning John Hall end quote Feldman concluded that because hole was receiving protection from some US officials that it would not be possible to interview him Feldman therefore took no further steps to do so in an effort to stop the investigation against him and to cause the Justice Department to instead investigate those urging an investigation of whole whole prepared falsified affidavits from jailed

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falsified affidavits from jailed mercenaries in Costa Rica to US Attorney Kilner in the affidavits the mercenaries accused congressional staff of paying witnesses to invent stories about illegal activities associated with the clandestine contra supply network the Justice Department ultimately concluded that the affidavits had been forged Kellner testified that he quote had concerns about them and didn't believe them end quote to this day the Justice Department has taken no action against John hull for obstruction of justice or any related charge in connection with his filing false affidavits with the US Justice Department regarding the congressional investigations in the period in which he was providing support to the Contras whole obtained a loan from the overseas Private Investment Corporation for $375,000 which ultimately proved to have been obtained with false documentation in 1983 hole and two associates mr. William Crone and mr. Alvaro Arroyo approached OPEC for a loan to finance a joint venture wood products factory it would make will Barrow and axe handles for the US market in fact according to testimony from Crone and OPI sea

officials no contributions from whole Arroyo or himself were made to the joint venture on the basis of the application some supporting documentation and a site visit on March 30th 1984 OPI see advanced $375,000 by the end of 1985 after one interest payment the loan lapsed into default and OPI see officials began to recognize that the project was a fraud and that hole had made false representations in making the application to OPI see OPI see officials found that the money which was dispersed by their agency was

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was dispersed by their agency was deposited in holes Indiana bank account and the funds were withdrawn by hole in cash when OPI see inquired in 1986 as where the funds were going hole told OPI see officials that he would be using the cash to buy Costa Rican money on the black market to get a more favorable exchange rate in fact Costa Rica has a favorable exchange rate for foreign investment and the excuse hole offered does not make sense what appears to have happened is that hole simply took the money and as much as no equipment was purchased for the factory no products were shipped from it and holes partner Kron testified that he never saw the money indeed prospective purchasers complained that they paid hole for products in advance but never received delivery on the basis of the subsequent OPI see investigation of the loan to holes company in April 1987 the case was referred to Justice Department for a criminal fraud investigation while nothing has yet happened for almost two years the Justice Department maintains the investigation is still ongoing OPI C foreclosed on the properties which hole had put up as collateral for the loan following the foreclosure to recover their monies OPI C sold the property at auction however in order to prevent a sale far below the market price OPI C bid at the auction and wound up purchasing its own property for 180 $7,500 OPI C then attempted to sell the property directly an advertisement was placed in The Wall Street Journal which attracted a single offer from an investment banker in Philadelphia an agreement was negotiated whereby the company purchasing the property from OPI C was required to make no downpayment and only to repay OPI C it's one hundred

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and only to repay OPI C it's one hundred eighty seven thousand five hundred dollars from the future proceeds of the sale of timber cut on the land the corporation which purchased the property has no other assets other than the land if the agreement is fulfilled by the purchasers of the land OPI C will realize repayment of one hundred eighty seven thousand five hundred dollars half of the original $375,000 loaned to hold the subcommittee also heard testimony from investors who had allowed hole to purchase property for them and then to manage the property who testified that he did not deliver on his promises he failed to purchase the properties he said he would and in one case took farm equipment off a farm he was paid to manage and converted it for his own use in mid January 1989 hole was arrested by Costa Rican law enforcement authorities and charged with drug trafficking and violating Costa Rica's neutrality 9 the Sam sisqó frogman case und fr a n and p CNE the san francisco frog man case was one of the first cases in which allegations linking specific contra organizations to drug smugglers surfaced in a july 26th 1986 report to the Congress on contra related narcotics allegations the State Department described the frogman case as follows quote this case gets its nickname from swimmers who brought cocaine ashore on the west coast from a Colombian vessel in 1982 to 1983 it focused on a major Colombian cocaine smuggler Alvaro Carbajal Minolta who supplied a number of West Coast smugglers it was alleged but never confirmed the Nicaraguan citizen Horacio pereira an

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Nicaraguan citizen Horacio pereira an associate of Carbajal had helped the Nicaraguan resistance Pereira was subsequently convicted on drug charges in Costa Rica and sentenced to 12 years imprisonment to other Nicaraguans carlos cabezas and julio Zavala who were among the jailed West Coast traffickers convicted of receiving drugs from Carbajal claimed long after their conviction that they had delivered large sums of money to resistance groups in Costa Rica and that Pereira who was not charged in the case has said the profits from the drug sale would finance resistance activities end quote the allegations made by cabeza Sand

Zavala involved two southern front contra groups und an F a RN a military group associated with Fernando el Negro Chamorro and PC any a contra political group in the south cabeza claimed that he helped move 25 to 30 kilos of cocaine from Costa Rica to San Francisco generating 1.5 million dollars according to cabeza part of that money was given to Troy and Fernando Sanchez to help Eden pastores and Fernando el Negro Chamorros operations on the southern front in 1982 and 1983 after the trial the US government returned 36,000 $20 seized his drug money to one of the defendants Zavala after he submitted letters from contra leaders claiming the funds were really their property the money that was returned had been seized by the FBI after being found in cash in a drawer at Cevallos home with drug transaction letters an m1 carbine a grenade and a quantity of cocaine the subcommittee found that the frogman arrests involved cocaine from a Colombian source carbajal

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cocaine from a Colombian source carbajal Minolta in addition Zavala and cabeza s had as a second source of supply Nicaraguans living in Costa Rica associated with the Contras FBI documents from the frogman case identified the Nicaraguans as Horacio pereira troy o Sanchez and Fernando Sanchez Pereira was convicted on cocaine charges in Costa Rica in 1985 and sentenced to 12 years in prison an important member of the Pereira organization was Sebastian Huashan Gonzalez who also was associated with our day in southern front contra operations Robert Owen advised north in February 1985 that Gonzalez was trafficking in cocaine Jose bland own testified that Eden Pastora knew that Gonzalez was involved in drug trafficking while he was working with our day Gonzales later left the contra network and fled from Costa Rica to Panama where he went to work for general Noriega during the Pereira trial evidence was also presented by the Costa Rica prosecutor showing that drug traffickers had asked leader Armando gemoro the brother of UD nfa RN leader Fernando el Negro tomorrow for assistance with vehicles to transport cocaine and for help with a Costa Rica police official troy yo and Fernando Sanchez were marginal participants in the Contra move and relatives of a member of the fdn Directorate 10 the cuban-american connection several groups of Miami based Cuba Americans provided direct and indirect support for the southern front during the period that the Boland amendment prohibited official US government assistance their help which

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government assistance their help which included supplies and training was funded in part with drug money the State Department described the allegations in its July 1986 report to Congress as follows quote there have been allegations that Rene Corbeau and other Cuban Americans involved in anti sandanista activities in Costa Rica were connected with Miami based drug traffickers Corbeau reportedly recruited a group of Cuban American and Cuban exile combatants and military trainers in the Miami area who operated inside Nicaragua and in the northern part of Costa Rica two Cuban exiles in this group Mario Reyes Lovaas and Ubaldo Hernandez Perez were captured by the Sandinistas in June 1986 they were reportedly members of the UN OFA RN group headed by fernando el negro gemoro there is no information to substantiate allegations that this group from Miami has been a source of drug money for the UN OFA RN or any other resistance organization end quote on may 6th 1986 committee staff met with representatives of the Justice Department FBI DEA CIA and State Department to advise them of allegations of gun running and drug trafficking in connection with this group in August 1986 the committee requested information from the Justice Department regarding the allegations concerning Corbeau and fellow Cuban Americans Felipe Vidal frank castro and luis rodriguez and frank chances two of the principles in free terrific owes de puntarenas and ocean hunter concerning their involvement in narcotics trafficking the Justice Department refused to provide any information in response to this request on the grounds that the information requested remained under active investigation and that the committee's

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investigation and that the committee's quote rambling through open investigations gravely risks compromising those efforts end quote less than three months earlier the Justice Department had advised both the press and the committee that the allegations had been thoroughly investigated and were without foundation at no time did the Justice Department disclose to the committee in response to its inquiry that extensive information had in fact been developed by the FBI from 1983 through 1986 suggesting that many of the allegations the committee was investigating were true at the May 6th 1986 meeting with committee staff the CIA categorically denied the weapons had been shipped to the Contras from the United States on the flights involving Rene Corbeau noting that the material on which they were basing these assertions was classified and suggested that the allegations that had been made to the contrary or the result of disinformation in fact as the FBI had previously learned from informants cuban-american supporters of the Contras had shipped weapons from South Florida to Allah Pongo and from there to John holds air strips in Costa Rica the persons involved admitted to the FBI that they had participated in such shipments making general statements about them beginning in 1985 on June 4th 1986 and June 16th 1986 Rene Corbeau one of the principles in the shipments explicitly told the FBI that he had participated in shipping weapons to the Contras in violation of US neutrality laws the Cuban American contingent supported the Contra effort on the southern front work with Pastora until a May 30th 1984 bombing at la penka after the assassination attempt on Pastora they shifted their allegiance to Fernando el Negro chamoy

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Fernando el Negro chamoy ud nfa RN by mid-june 1984 the drug smuggling through the southern front zones controlled by the Contras had grown sufficiently obvious that Robert Owen warned lieutenant colonel oliver north at the NSC that the quote cubans are involved in drugs end quote notes taken by Colonel Robert L Earl during his tenure at the NSC described how in August 1986 the CIA was worried about quote disreputable characters in the Cuban American community that are sympathetic to the Contra cause but causing more problems than help and that one had to be careful in how one dealt with the Cuban American community and its relation to this that although their motives were in the right place there was a lot of corruption and greed and drugs and it was a real mess end quote in August 1988 Corbeau and Castro were indicted in a Neutrality Act case involving the Contras brought by the US attorney for Miami and prosecuted by assistant US attorney Jeffrey Feldman no narcotics related allegations were included in the August 1988 indictment one of the three principals in free Jerry fucose de puta reyes and ocean hunter Luis Rodriguez was indicted on drug charges in April 1988 the others Frank Chainz and Moises Nunez participated in Contra military assistance operations in 1984 and 1985 Nunez was employed by both the drug money laundering front free tarifa Coast de puta Ramos and by Glen Robinette on behalf of the succour North Enterprise former CIA costa rica chief of station thomas castillo told the iran-contra committees that Nunez quote was involved

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committees that Nunez quote was involved in a very sensitive operation end quote for the enterprise eleven Ramon Milian Rodriguez and Felix Rodriguez a particularly controversial allegation arose during the course of the subcommittee's investigation this involved Ramon Milian Rodriguez's offered to assist the Contras following his arrest for money laundering in a June 25th 1987 closed session of the subcommittee Milian Rodriguez testified that in a meeting arranged by Miami private detective Raul Diaz with Felix Rodriguez he Milian offered to provide drug money to the Contras Milian Rodriguez stated that Felix accepted the offer and ten million dollars in such assistance was subsequently provided the Contras through a system of secret couriers Milian Rodriguez testified that he also offered to assist in entrapping the Sandinistas in a drug sting all in return for dropping the charges then pending against him Felix Rodriguez strenuously denied Milian Rodriguez's version of the meeting stating that he reported Milian's offered to a number of US government agencies including the FBI and CIA no action was taken by those agencies and Milian Rodriguez's case went to trial Raul Diaz refused to respond to a committee subpoena to discuss his recollection of the meeting therefore because of the difficulty the subcommittee faced and ascertaining who was telling the truth Ramon

Milian Rodriguez or Felix Rodriguez Milian was asked whether he would be willing to take a polygraph examination he agreed to submit to an examination on the question of providing drug money to the Contras through Felix Rodriguez Senator Kerry the subcommittee

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Rodriguez Senator Kerry the subcommittee chairman arranged for one of the country's leading polygraph experts dr. Donald Raskin of the University of Utah to travel to Washington DC to administer the test dr. Raskin administered a partial examination of Milian Rodriguez on June 3rd and 4th 1988 on two critical questions Ramone million Regas answers were determined to be deceptive by dr. Raskin the questions were as follows one did Felix Rodriguez ask you to arrange deliveries of money for the Contras during the meeting at Raul's office answer yes - did you arrange approximately five deliveries of money for the Contras on the basis of phone calls you personally received from Felix Rodriguez answer yes on the third question dr. Raskin could not determine whether or not Ramon Milian Rodriguez was being truthful in his response the question was as follows three did you arrange the deliveries of at least five million dollars for the Contras using the procedures that you and Felix worked out answer yes at that point million Rodriguez stated that he did not want to continue the examination based upon dr. raskins oral evaluation of Ramon Milian Rodriguez the Chairman concluded that his version of the meeting with Felix Rodriguez and his subsequent relationship with Felix and providing drug money for the Contras was not truthful the Chairman reached no conclusion regarding the issue of whether Ramon Milian arranged for the deliveries of at least five million dollars for the Contras during Felix Rodriguez's public testimony before the subcommittee on July 14 1988 Senator Carey stated that he did not believe Ramon Millia and Rodriguez's version of the meeting was

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Rodriguez's version of the meeting was truthful however million Rodriguez's testimony regarding the cartels general Noriega z-- role in narco trafficking and his involvement in setting up companies which were later used to support the Contras was corroborated by a number of witnesses including Jose bland own Floyd Carlton Gerald lobe and a Miami attorney who had supplied information on the cartels in a closed session deposition in addition million Rodriguez's testimony on many of these points was corroborated by extensive documentary evidence and by grand jury statements by his partners in federal criminal proceedings [Music] this is our hidden history you

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END